

14X - TOBACCO SETTLEMENT FUND

Operational Summary

Agency Description:

To budget for Board approved uses of the County's share of the national tobacco settlement received before July 1, 2001.

In 1998 forty-six States including California, three territories and the District of Columbia concluded an agreement with the major tobacco companies in settlement of outstanding litigation. As part of the settlement, the tobacco companies are required to make payments to the States. California's share, after adjustments for certain specific litigants, is split 50-50 with the counties. Orange County's share is estimated to be \$30 - \$38 million per year in perpetuity. On November 7, 2000, the voters of Orange County overwhelmingly approved Measure "H". Measure "H" approved an ordinance that restricts the use of Tobacco Settlement Revenue (TSR) received after July 1, 2001. (see Fund 13N)

The FY 2001-2002 budget for this fund reflects the carryover of unspent funds allocated by Board action on December 5, 2000. The Board allocated FY 2000-2001 TSR, \$28.4 million, as follows: 50% for health care initiatives including \$1.2 million for an ocean water quality monitoring lab and the remaining 50% allocated as follows: \$5.4 million for the Phase III Theo Lacy Branch Jail expansion, \$1.3 million to reimburse the County General Fund for a 60 bed secured substance abuse rehabilitation pilot program at the Theo Lacy Branch Jail and \$7.5 million for debt reduction.

When the carryover from FY 2000-2001, about \$5.6 million is expended, this fund will be closed out.

At a Glance:

Total FY 2000-2001 Actual Expenditure + Encumbrance:	17,866,792
Total Final FY 2001-2002 Budget:	5,562,000
Percent of County General Fund:	N/A
Total Employees:	0.00

Strategic Goals:

- To use Tobacco Settlement Revenue (TSR) received in FY 2000-2001 to fund program allocations (the "50-50" plan) made by the Board of Supervisors on December 5, 2000. The health care priorities that are funded from the FY 2000-2001 TSR were specifically selected by the Health Care Agency, with community input, to assure continuity with programs authorized under Measure "H". The allocation for debt reduction can not be continued under the provisions of Measure "H" when it goes into effect on July 1, 2001.

Fiscal Year 2000-01 Key Project Accomplishments:

- Provided funds for health priorities, ocean water quality monitoring laboratory, expansion of the Theo Lacy Branch Jail and debt reduction.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Use the remainder of the Tobacco Settlement Revenue

received during FY 2000-2001 for health priorities as well as debt reduction as identified by the Board of Supervisors on December 5, 2000.

Changes Included in the Base Budget:

The FY 2001-2002 Budget appropriates Tobacco Settlement Revenue and interest which was received in FY 2000-2001 and not expended. The budget is in accordance with the "50-50" allocation approved by the Board of Supervisors on December 5, 2000.

Final Budget and History:

Sources and Uses	FY 1999-2000 Actual Exp/Rev ⁽¹⁾	FY 2000-2001 Final Budget	FY 2000-2001 Actual Exp/Rev ⁽¹⁾	FY 2001-2002 Final Budget	Change from FY 2000-2001 Actual	
					Amount	Percent
Total Revenues	37,839,937	29,900,000	28,323,172	149,000	(28,174,172)	(99)
Total Requirements	37,730,069	32,894,000	17,866,792	5,562,000	(12,304,792)	(69)
FBA	0	2,994,000	109,868	5,413,000	5,303,132	4,827

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2000-01 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: TOBACCO SETTLEMENT FUND in the Appendix on page 569.